

IN THE UNITED STATES
PATENT AND TRADEMARK OFFICE

TITLE:

METHOD OF FACILITATING ELECTRONIC COMMERCE
OVER A COMPUTER NETWORK

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1 [0001] This patent application claims priority from a provisional patent application entitled “A
2 Method for Facilitating Commercial Transactions over a Computer Network,” Serial No.
3 60/268,798, having a filing date of 2-14-01.

4

5 **FIELD OF THE INVENTION**

6 [0002] The present invention relates generally to methods of performing electronic commerce
7 and more particularly, to a method of facilitating commercial transactions over a computer
8 network.

9

10 **BACKGROUND OF THE INVENTION**

11 [0003] The Internet has emerged as a large community of electronically-connected users located
12 around the world who readily and regularly exchange significant amounts of information. The
13 Internet continues to serve its original purpose of providing access and exchange of information
14 among government agencies, laboratories, and universities for research and education. In
15 addition, the Internet has evolved to serve a variety of interests and forums that extend beyond its
16 original goals.

17

18 [0004] There is growing interest in electronic commerce, whereby individuals and/or entities can
19 transact business with other individuals and/or entities via interconnected networks, such as the
20 Internet. Electronic commerce offers advantages to both buyers and vendors. With electronic
21 commerce, a buyer may access many more vendors than could be achieved via conventional
22 methods of commerce. Thus, with electronic commerce, buyers can potentially achieve a lower

1 purchase price, as well as a wider selection of goods and/or services. By the same token,
2 electronic commerce affords vendors a larger market place, and access to a larger number of
3 buyers.

4

5 [0005] Much of the electronic commerce presently conducted between buyers and vendors
6 occurs by the exchange of data in the form of graphics and/or text. Typically, a buyer seeking to
7 purchase goods and/or services electronically initiates the transaction by first establishing a data
8 link with the vendor. For example, if the vendor possesses a web site on the World-Wide Web
9 portion of the Internet, the buyer initially makes a connection via a computer, to an Internet
10 Service Provider. Once connected, the buyer then enters the Universal Resource Locator (URL)
11 associated with the vendor to access that vendor's web site. After the buyer has accessed the
12 vendor's web site, the buyer enters the information needed to complete the transaction.

13

14 [0006] Although advantageous, electronic commerce is not without drawbacks. First, the
15 process of comparing prices by the buyer can be a tedious one. To compare prices, the buyer
16 must locate each vendor site individually using a search engine or other searching method. The
17 buyer must then investigate each vendor site to locate the price of particular products.

18

19 [0007] Once the buyer has decided to purchase an item, he or she places an order. If the vendor
20 has the item in stock, the order is affirmed by an electronic mail sent to the buyer's attention.
21 Thus, the buyer does not know if the transaction has taken place until he or she receives an
22 electronic mail or other communication from the vendor.

SUMMARY OF THE INVENTION

2 [0008] Accordingly, the present invention provides a system and method of facilitating
3 electronic commerce that allows merchants and/or individuals to buy and sell products in a non-
4 auction environment without establishing an individual web site. Specifically, the present
5 invention provides an e-commerce site upon which a plurality of vendors may list products
6 according to a variety of categories. In this manner, the present invention provides each buyer
7 with the opportunity to comparison shop via one internet site.

8
9 [0009] The present invention provides the buyer with real-time product availability information.
10 By maintaining current records regarding which products are available at any given time, the
11 present invention allows e-commerce transactions to be consummated immediately.
12 Specifically, when a buyer decides to purchase a product that is shown by the system as having
13 an available quantity, the system immediately confirms the sale to both buyer and vendor and
14 provides information for the two parties to conclude the transaction. When an item has been sold
15 out, the system immediately updates each item listing to indicate that the item is no longer
16 available.

17
18 [0010] The present invention is capable of providing multiple buyers with a shopping party
19 experience. The present invention generates a home show collection of products for display to
20 each member of the shopping party. In one embodiment, each product in the collection is
21 displayed individually and in a random order to allow each member of the shopping party to
22 experience the feeling of shopping in a conventional store. Additionally, the present invention is

1 capable of displaying the home show collection according to a predetermined order designed to
2 resemble the order in which the buyer(s) would encounter products on the shelves of a
3 conventional store.

4

5 **BRIEF DESCRIPTION OF THE DRAWINGS**

6 [0011] A more complete appreciation of the invention and many of the attendant advantages
7 thereof will be readily obtained as the same becomes better understood by reference to the
8 following detailed description when considered in connection with the accompanying drawing,
9 wherein:

10 [0012] Fig. 1 is a component diagram of one embodiment of the present invention.

11 [0013] Fig. 2 is a flow chart illustrating the seller sign-up/product posting process of one
12 embodiment of the present invention.

13 [0014] Fig. 3 is a flow chart illustrating the browsing/purchasing process of one embodiment of
14 the present invention.

15 [0015] Fig. 4 is a flow chart illustrating the shopping party process of one embodiment of the
16 present invention.

DETAILED DESCRIPTION OF THE INVENTION

2 [0016] The present invention is herein described as a method of facilitating electronic
3 commerce over a computer network from an e-commerce site and as a computer system
4 for facilitating electronic commerce over a network from an e-commerce site.

5 [0017] Referring to Fig. 1, the present invention is equipped with a processing unit (12)
6 capable of directing and facilitating commercial activity over a computer network (18).

7 In one embodiment, the processing unit of the present invention is electrically coupled to
8 a storage device (14) capable of storing electronic data. The present invention is further
9 equipped with a networking unit (16) capable of electronic communication over the
10 computer network (18). Specifically, the networking unit is capable of facilitating
11 electronic communication between external users (20) and the processing unit (12) of the
12 present invention. In one embodiment, a CISCO ® router or other networking device is
13 utilized by the present invention. In another embodiment, the processing unit (12) of the
14 present invention is coupled to one or more related business systems (22). Specifically,
15 the processing unit (12) is capable of utilizing external enterprise resource planning
16 systems, such as PEOPLESOFt ®, for use in executing electronic transactions.

17 [0018] Referring to Fig. 2, merchants and/or individuals wishing to utilize the present
18 invention to display products for sale may access the e-commerce site, or homepage, of
19 the present invention as illustrated by Box (24). Upon accessing the homepage of the
20 present invention, the seller is asked to register, as illustrated by Box (26). Registration
21 requires the seller to provide information from which a unique seller record utilizing a
22 seller identifier may be created. This seller record is stored upon the storage device (14)

1 and is utilized to “match” products displayed upon the e-commerce site of the present
2 invention to individual sellers.

3 [0019] In order to post an item for sale, the seller must agree to abide by the buyer/seller
4 agreement. This agreement provides the seller with rules regarding business conducted
5 through the e-commerce site of the present invention and ensures that each party
6 complies with equitable business practices. Once the seller has agreed to abide by the
7 terms of the agreement, he or she must choose whether to register as an individual vendor
8 or as a brand name vendor, as illustrated by Boxes (28) and (30). Referring to Box (32),
9 the registration process for both vendor types is similar except that brand name vendors
10 are provided with an additional data field. This additional data field allows the seller’s
11 brand name to be entered into the system for ultimate display to the consumer. In this
12 manner, the present invention allows each vendor to individually market their products
13 according to specific brand names.

14 [0020] Once the vendor type has been established, the seller is provided with an item
15 data sheet. The item data sheet is designed to illicit specific product information
16 including product category, brand name, cost data, digital photos, incremental cost,
17 quantity available and product age/condition, as illustrated by Box (34). Once this
18 information has been entered, the seller is presented with a transaction information page,
19 as illustrated by Box (36). At this time, the seller is prompted to provide contact
20 information so that the seller may be reached in the event of a product purchase.
21 Additionally, the seller is required to provide payment preference information so that
22 prospective buyers may be informed as to how an item, or items, may be purchased (i.e.,
23 check, money order, credit card, etc.).

1 [0021] The seller is given several options upon completion of the transaction information
2 page (36). The seller may approve of the product listing as entered and submit same for
3 display to prospective buyers. The listing is then posted upon the e-commerce site of the
4 present invention such that the item is viewable for purchase, as illustrated by Box (44).
5 The seller may wish to list additional items for sale, as illustrated by Box (40). In this
6 instance, the product posting process described above is repeated for each additional
7 product.

8 [0022] The seller may wish to review each of his or her listings to ensure accuracy. To
9 accomplish this, the present invention provides an edit page (42) having modifiable data
10 fields to allow the seller to review and modify item information. All of the information
11 provided by the seller during the above product listing process is transmitted to the
12 storage device (14) of the present invention for later retrieval. In one embodiment, sellers
13 intending to list 25 or more products upon the e-commerce site of the present invention
14 may choose to register as a boutique vendor, as illustrated by Box (38). The boutique
15 vendor process utilized by the present invention is described in greater detail below.

16 [0023] Referring to Fig. 3, buyers wishing to utilize the present invention to browse
17 and/or buy products may access the e-commerce site, or homepage, of the present
18 invention as illustrated by Box (46). Upon accessing the homepage of the present
19 invention, the buyer is presented with a variety of product searching options, as
20 illustrated by Box (50). Conventional searching methods, such as searches utilizing
21 vendor name, product type and item description are provided to the buyer upon the e-
22 commerce site of the present invention as illustrated by Boxes (50A, 50B, 50C, 50D,
23 50E, 50F, 50G, 50H and 50I). However, the present invention also provides a unique

1 boutique searching option, as illustrated by Box (52). In one embodiment, sellers having
2 25 or more listed products may request designation as a boutique.

3 [0024] Buyers wishing to search boutique listings are presented with a list of all boutique
4 sellers to choose from, as illustrated by Box (54). The buyer may then review specific
5 items for each boutique seller, as illustrated by Box (56), until the buyer determines
6 which item, if any, to purchase. The real time atmosphere provided by the present
7 invention assists the buyer during his or her selection process. Specifically, each item
8 listing contains the item data sheet information provided by the seller. As a result, the
9 buyer is provided with a written description of the item, the quantity available for each
10 item and one or more digital pictures providing a visual representation of the item, as
11 illustrated by Box (58).

[0025] In order to encourage buyer searching upon the e-commerce site of the present invention, no registration is required until the buyer has decided to make a purchase, as illustrated by Box (60). Once the buyer has decided to purchase a product, he or she is prompted to provide buyer identification information. Specifically, registration requires the buyer to provide information from which a unique buyer record utilizing a buyer identifier may be created. This buyer record is stored upon the storage device (14) and is utilized to “match” the buyer with each product being purchased upon the e-commerce site of the present invention. Once the buyer has registered, he or she may place an order upon performance of a single action, as illustrated by Box (62).

21 [0026] Unlike conventional e-commerce sites, the present invention provides for the
22 immediate consummation of electronic commerce upon performance of a single action.

1 This single action may be the click of a button, the speaking of a sound, or any other
2 action capable of conveying the buyer's intent to purchase a product.

3 [0027] Once the buyer has performed this single action, the processing unit (12) of the
4 present invention automatically searches the storage device (14) in order to "match" the
5 buyer with the seller offering the desired product. The processing unit (12) then creates
6 an order file containing buyer and seller information and transmits same to the storage
7 device (14). Upon transmission of the order file to the storage device (14), the processing
8 unit (12) generates a purchase verification message for display upon the e-commerce site
9 of the present invention, as illustrated by Box (64).

10 [0028] From the buyer's perspective, this verification message displayed upon the e-
11 commerce site is instantaneous after he or she has performed the single action described
12 above. Thus, the buyer receives immediate confirmation that the product is available and
13 has been purchased. Once the purchase has been consummated, the processing unit (12)
14 of the present invention sends an email message to both parties to the transaction, as
15 illustrated by Boxes (66) and (68). These email messages remind both parties that the
16 purchase has been consummated and that the buyer/seller agreement rules govern the
17 actions of each party. After each purchase, system records are updated to reflect that the
18 item has been purchased.

19 [0029] In addition to providing individual or corporate buyers with an enjoyable online
20 shopping experience, the present invention is capable of facilitating one or more
21 shopping parties. Specifically, the present invention is capable of facilitating group
22 shopping in a manner that resembles a conventional TUPPERWARE® party. Referring

1 to Fig. 4, a buyer that wishes to host an online shopping party may access the e-
2 commerce site, or homepage, of the present invention and elect to host a shopping party,
3 as illustrated by Boxes (70) and (72). The buyer then registers as a shopping party host,
4 illustrated by Box (74), and is assigned a unique host identifier.

5 **[0030]** Once registered, the host searches the e-commerce site of the present invention to
6 determine what product categories would be appropriate for use during the shopping
7 party, as illustrated by Box (76). Utilizing these pre-selected product categories, the
8 present invention creates a high level product listing, or brochure, of proposed product
9 categories, as illustrated by Box (78). This brochure of proposed shopping party product
10 categories may then be sent to each member (82) of the shopping party. In one
11 embodiment of the present invention, the brochure is sent to each party member (82) via
12 email or hard copy, as illustrated by Boxes (80A) and (80B). This feature of the present
13 invention allows each member of the shopping party to comment on the proposed
14 shopping party and provide feedback prior to the date of the shopping party, as illustrated
15 by Box (84).

16 **[0031]** The present invention allows the host to create a unique home show presentation
17 for use during the shopping party, as illustrated by Box (86). Specifically, the processing
18 unit (12) of the present invention is compatible with a host of presentation applications,
19 such as MICROSOFT POWERPOINT ®. Thus, the host can build a home show
20 containing a variety of products for sale as well as accompanying slideshows or other
21 presentation materials. This feature of the present invention allows the host to prepare an
22 entertaining and aesthetically pleasing shopping party experience for each member. Once
23 the home show has been assembled, each member of the shopping party must complete

1 the registration process, as illustrated by Box (88) and described in detail above. Once
2 registration is complete the home show may be displayed to each member of the
3 shopping party.

4 [0032] In one embodiment of the present invention, the shopping party is conducted
5 using a single remote computer system (20) such that the members of the party
6 congregate at the host's residence or place of business. In another embodiment, the
7 members of the shopping party are not physically present in the same location as the host.
8 Instead, the members are electronically connected through a local or wide area network
9 connection such that each member may view the home show items displayed upon the
10 host's computer system. In either case, the members of the shopping party are kept in
11 constant communication such that an enjoyable shopping party atmosphere is maintained.

12 [0033] The host may choose from a variety of options regarding how the shopping party
13 home show is to be displayed. First, the host may choose to display the home show items
14 according to a predetermined order, as illustrated by Box (90). Second, the processing
15 unit of the present invention is capable of displaying each home show item in a manner
16 resembling the order in which a buyer would encounter products on the shelves of a
17 conventional store. This may take the form of a random arrangement or products or may
18 be specifically tailored to resemble a particular brand name store, as illustrated by Box
19 (92). The present invention also allows the display of products obtained through
20 searching performed by the host during the shopping party itself, as illustrated by Box
21 (94).

1 [0034] The present invention allows members of the shopping party to purchase
2 displayed items without substantially interfering with the flow of the home show display
3 items. Specifically, the present invention provides a multi-buyer item management page
4 (96) capable of tracking each member purchase without substantial interruption of the
5 home show display.

6 [0035] For example, Mary decides to purchase a coffee mug shown during the home
7 show item display. Mary need only indicate that she wishes to buy the coffee mug and
8 perform a single action showing her intent to purchase the item. Upon doing so, the
9 buying process described above is automatically initiated as illustrated by Boxes (62),
10 (64), (66) and (68), such that the home show item presentation may be continued, as
11 illustrated by Box (100). In one embodiment, each member of the shopping party is
12 assigned a multi-buyer item management icon that, when clicked upon the host computer,
13 will initiate the buying process, as described above.

14 [0036] In one embodiment, the present invention provides the host with incentives to
15 initiate shopping parties upon the e-commerce site of the present invention, as illustrated
16 by Box (98). Specifically, the host is given credit for purchases made during his or her
17 shopping parties. These credits may be redeemed by the host upon the ecommerce site of
18 the present invention for merchandise.

19 [0037] Although the invention has been described with reference to specific
20 embodiments, this description is not meant to be construed in a limited sense. Various
21 modifications of the disclosed embodiments, as well as alternative embodiments of the
22 inventions will become apparent to persons skilled in the art upon the reference to the

- 1 description of the invention. It is, therefore, contemplated that the appended claims will
- 2 cover such modifications that fall within the scope of the invention.

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